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REP. _____ CALLS FOR BIPARTISAN FIX OF FLAWS IN PRESCRIPTION DRUG REIMPORTATION LAW

Congressman Says HHS Secretary put in catch-22 by GOP leadership loopholes

WASHINGTON - Representative _____ today called for a renewed bipartisan legislative effort to fix flaws in the prescription drug reimportation law passed by Congress this fall. _____ is one of the cosponsors of the original reimportation legislation and the first member of Congress to take seniors over the border to buy lower-priced medicines in Canada. The intent of the law was to allow U.S. pharmacists and wholesalers to import FDA-safety approved medicines from foreign countries where these products are sold at substantially lower prices than they are in the United States. Estimates are that if a strong reimportation law could lower prescription drug prices in the U.S. by 30-50%. _____ and his/her allies ultimately organized a large bipartisan coalition in support of the bill.

However, only days before the bill was to be considered as part of the FY2001 Agriculture spending bill, the Republican Congressional leadership brought Republican proponents of reimportation into a closed door meeting during which these supporters agreed to a number of drug industry backed loopholes that seriously weakened the bill. Despite efforts to plug those holes by _____ and his allies during the Conference Committee meeting, the Republican leadership prevailed because of their legislative majorities. A Republican-added provision of the reimportation law required Secretary of Health and Human Services Shalala to demonstrate that the law would "significantly" lower pharmaceutical prices before the law could be implemented.

Last week, the Secretary in a letter to the President stated that she could not make that demonstration due to the last minute loopholes added by the Republican Congressional leadership with the help of rank and file Republicans who had previously worked on the bipartisan effort. The loopholes that Shalala identified in her letter are the same ones that Rep. _____ and other reimportation proponents cited when the bill was passed: failure to require that the drug makers allow reimporters to use the FDA-approved labeling; failure to ban drug makers from imposing contract terms of foreign wholesalers that would undermine the intent of the law; and the 5-year sunset period, which would discourage the necessary private investment to fully implement the system.

_____ expressed his/her continued strong support for the concept of reimportation as a tool to substantially lower the price of prescription drugs and called for a new bipartisan effort to plug the pro-drug company loopholes that the Republican leadership forced into the bill: "The election is over. What the American people want and deserve is a strong reimportation law that will lower the outrageously high cost of prescription drugs in this country. When the Congress reconvenes I will be offering legislation to plug the loopholes in this law so that it can work to bring down prescription drug costs by 30-50% and we will need to bring the bipartisan coalition in support of a real reimportation law back together to accomplish this. The pharmaceutical industry and their allies in Congress will oppose us, but a strong reimportation law is in the best interest of the American people."

_____ also noted that the drug companies and the Republican leadership had put Shalala in a Catch 22 that left her little choice but to issue the letter she did. _____ continued, "How does anyone expect the Secretary to be able to demonstrate that the law will lower prescription drug prices when it has been riddled with loopholes that the drug makers are certain to exploit? For example, under the current law, the drug companies have the right to impose contract terms on a distributor that the price it charges in the U.S. cannot be lower than the currently charged price. The bottom line is that the current law is ineffective, and in a tripartisan manner we must all work together to make this a strong law that the pharmaceutical industry cannot evade."